



Fact Sheet

U.S. Department of Agriculture
Foreign Agricultural Service
February 2000

Permanent Normal Trade Relations with China **What's at Stake for Hawaii?**

Hawaii produces agricultural and fish products that are exported worldwide. In 1998, Hawaii's total farm cash receipts reached \$510 million. Commercial fish landings totaled \$62 million and fish exports were valued at \$2.8 million. As for other exports, the value of agricultural products leaving the state was estimated at \$111 million in 1998. These exports help boost farm prices and income, while supporting jobs both on the farm and off the farm in food processing, storage, and transportation.

Trade Benefits

The following key products are important to Hawaii, and expected to reap some of the largest agricultural export gains from China's accession to the World Trade Organization (WTO).

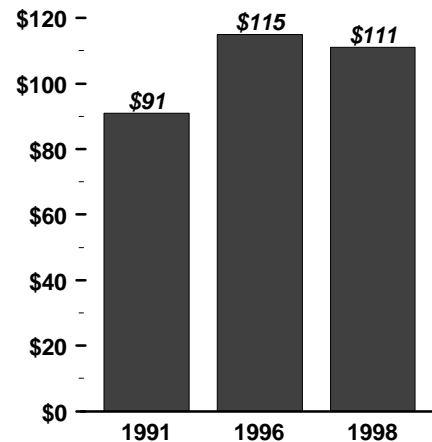
Fruit—Hawaii's fresh and processed fruit exports worldwide were estimated at \$55 million in 1998. Under its WTO accession agreement, China will significantly reduce tariffs on a wide range of fresh fruit and processed fruit products by 2004. Of special interest to Hawaii, China will cut tariffs up to 57 percent on citrus fruit juices and up to 43 percent on other juices.

Tree Nuts—Hawaii's tree nut exports worldwide were estimated at \$7 million in 1998. Under its WTO accession agreement, China's tariffs on key tree nuts will drop by 33-71 percent by 2004. Specific reductions include: shelled almonds and hazelnuts (30 percent to 10 percent); pistachios (35 percent to 10 percent); shelled and canned walnuts (30 percent to 20 percent); and other canned nuts (30 percent to 13 percent).

Fishery Products—Hawaii's fishing fleet will benefit from China's accession to the WTO. China is a leading producer of fishery products and the world's largest inland aquaculture producer. Nevertheless, increased consumption has led to rising imports. Under its WTO accession agreement, China will cut its existing tariffs by up to 66 percent on fishery products by 2004. Now set at 20 percent, tariffs on frozen pacific salmon, sole, and herring will drop to 10 percent or 12 percent. Existing tariffs of 30 percent on frozen crab will fall to 15 percent and 10 percent, respectively. The 25-percent tariff on cuttle fish and squid will drop to 17 percent.

Hawaii's Agricultural Exports

\$ Millions



Source: Economic Research Service, USDA